

Message Text

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ACTION EB-07

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FM AMEMBASSY MOSCOW

TO SECSTATE WASHDC 8330

C O N F I D E N T I A L SECTION 1 OF 2 MOSCOW 8016

PASS APT MORRIS

PASS USDA/FAS/EULER

E. O. 11652: GDS

TAGS: EAGR, PFOR, UR

SUBJECT: AGATT VIEWS AND RECOMMENDATIONS ON US-USSR
AGRICULTURAL AGREEMENT

REF: TOFAS 226 AND 227

1. SUMMARY: FOLLOWING IS RECAP OF AGATT VIEWS ON CURRENT
US-USSR AG COOPERATION AGREEMENT MATTERS. IT CONTAINS
REPORT OF CONVERSATION WITH KOVALEV, CHIEF, SOVIET SECRETARIAT
FOR THIS AGREEMENT. AGATT RECOMMENDATION FOR US ACTIONS TO
BE TAKEN THIS SUMMER ARE ALSO GIVEN. END SUMMARY.

2. AGATT MET WITH KOVALEV ON MEMORIAL DAY BECAUSE ON HIS
RETURN FROM GRAIN CONSULTATIONS HE WAS ADVISED BY HIS STAFF
AND MEMBERS OF THE US AGRI-BUSINESS TEAM THAT MINAG OFFICIALS
WERE VERY CONCERNED AND ANGRY ABOUT AGREEMENT MATTERS
AND PARTICULARLY U.S. FAILURE TO PROGRAM SOVIET WIND AND
WATER EROSION TEAMS. KOVALEV WAS STILL UPSET, BUT ON WHOLE
THIS 2-1/2 HOUR MEETING WAS BUSINESSLIKE AND PRODUCTIVE.
MAINLY, CURRENT OPERATING MATTERS (SEE REFTELS) WERE
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COVERED, BUT AGATT SUMMARIZED GRAIN CONSULTATION AND
CONVERSATIONS WITH USDA OFFICIALS ON THIS AGREEMENT.
COMMUNICATING WITH KOVALEV IS ALWAYS DIFFICULT BUT
FOLLOWING WAS LEARNED:

A) SECRETARIAT STAFF (AND RUNOV BY INFERENCE) WANT TO
CONTINUE THE AGREEMENT, BUT ARE ALSO NOT WELL SATISFIED

WITH GAINS OBTAINED THEREUNDER TO DATE. NO INDICATION WAS GIVEN THA POLICY DECISION ON CONTINUING AGREEMENT HAS BEEN CONSIDERED AT MINISTERIAL OR HIGHER LEVEL. BILATERAL AGREEMENTS, EVEN THOSE THAT ARE UNPRODUCTIVE, HAVE MORE MEANING TO SOVIETS THAN TO US, PARTICULARLY WITH U.S. IN THE FIELD AGRICULTURE, BUT THIS DOES NOT MEAN AUTOMATIC EXTENSION AT PRESENT TIME. B) SOVIET SIDE IS PLANNING TO GO AHEAD IN JULY AND PROPOSE TO U.S. SIDE THE 1978 ACTIVITIES IN WHICH IT IS INTERESTED. KOVALEV INDICATED, HOWEVER, THAT THEY WILL DO SO STATING THAT SUCH ACTION DOES NOT CONSTITUTE FORMAL NOTIFICATION TO THE EFFECT THAT SOVIETS WISH TO EXTEND THE AGREEMENT. FIVE OR SIX ACTIVITIES OR TEAMS WILL PROBABLY BE PROPOSED FOR EACH OF THE TWO WORKING GROUPS.

3. FYI AGATT FAVORS EXTENSTION OF THIS AGREEMENT, DESPITE ITS INADEQUACIES, AND EVEN IF IT IS NOT POSSIBLE TO OBTAIN SOVIET COMMITMENT TO ANY MEANINGFUL ADDITIONAL BENEFITS PRIOR TO THE MID-DECEMBER DEADLINE FOR NOTIFICATION OF TERMINATION. REASONS FOR THIS POSITION ARE AS FOLLOWS:

A) U.S. IS OBTAINING MORE AG INFO, SCHEDULED REPORTS AND SPECIAL REPORTS BY AGATT OFFICE REQUEST, THAN IN PAST EVEN THOUGH QUANTITY, QUALITY AND TIMELINESS OF DATA IS NOT SATISFACTORY. B) GOSU INGRESS PROVIDED BY AGREEMENT IS MUCH GREATER THAT IT WAS PRIOR TO 1973 AND WOULD BE CASE WITHOUT THE AGREEMENT. THIS APPLIES TO ALL ASPECTS OF OUR WORK, E. G. AG INTELLIGENCE AND MARKET DEVELOPMENT, AND THE SAME MINAG OFFICIALS ARE AND WILL REMAIN IN FORESEEABLE FUTURE TO BE OUR MAJOR CONTACT POINT FOR NEARLY ALL CONFIDENTIAL

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U.S. AGRICULTURAL INTERESTS. (THIS IS NOT TO SAY, HOWEVER, THAT NEITHER DETENTE, OR POOR GRAIN CROPS OF 1972 AND 1975 WERE ENTIRELY UNINVOLVED IN THIS IMPROVED ACCESS TO SOVIET OFFICIALS.) C) IT IS HIGHLY IMPROBABLE THAT COMPREHENSIVE CROP TRAVEL IN KAZAKHSTAN/SIBERIAA AREAS BY AGATT OFFICE STAFF OR U.S. BASED TEAMS WOULD BE PERMITTED WITHOUT THIS AGREEMENT. D) U.S. HAS MORE TO LOSE FROM LOSS OF AGREEMENT THAN SOVIETS. IN OUR OPEN SOCIETY THEY CAN PURSUE THEIR SCIENTIFIC AND TECHNOLOGICAL OBJECTIVES WITHOUT USDA, WASHINGTON INVOLVEMENT BY WORKING DIRECTLY WITH UNIVERSITIES AND INSTITUTES. FURTHER SINCE MOST TECHNOLOGY IN WHICH THEY ARE INTERESTED IS LARGELY PROPRIETARY AND OWNED BY U.S. AND MULTINATIONAL FIRMS, USG IS UNABLE TO HELP AND SOVIETS HAVE ALREADY LEARNED HOW TO GO DIRECT TO THE FIRMS THEMSELVES. E) EXISTANCE OF AGREEMENTS PERMITS USG AGENCIES TO REMAIN BETTER INFORMED ON AND CONTROL OF SOVIET AGRICULTURAL ACTIVITIES IN U.S.

4. AGATT CONSIDERS IT UNLIKELY THAT SOVIET COMMITMENT FOR

MEANINGFUL CHANGES IN AGREEMENT WILL BE OBTAINABLE PRIOR TO OCTOBER JOINT COMMITTEE MEETING. FURTHER, IF IT IS OBTAINED IT IS DOUBTFUL SUCH COMMITMENT CAN BE IMPLEMENTED BY SOVIETS. MAJOR AREAS IN WHICH SOVIET PERFORMANCE UNDER AGREEMENT IS INADEQUATE RELATE MAINLY TO EITHER BUREAUCRATIC LIMITATION OF THEIR SYSTEM OR TO FACT THAT USSR IS CLOSED SOCIETY IN WHICH INFORMATION ON MOST GOVERNMENT MATTERS IS CONSIDERED SECRET UNLESS SPECIFICALLY RELEASED BY HIGHER AUTHORITY. THIS AFFECTS SUCH VARIED U.S. INTEREST AS UNRESTRICTED TRAVEL, COMMODITY DATA ON FUTURE, CURRENT OR PAST TRADE, SUPPLY AND DISPOSITION MATTERS AND EVEN TO FREE ENTRY TO SOVIET RESEARCH INSTITUTES. NEITHER DETENTE NOR INCREASED RECOGNITION OF PERIODIC SOVIET DEPENDANCE ON WESTERN GRAIN SUPPLIES HAS MADE ANY SIGNIFICANT CHANGE IN EITHER BUREAUCRATIC EFFICIENCY OR THE OPENNESS OF THE SOCIETY AND ALTERATIONS WILL COME ONLY SLOWLY IF AT ALL. FURTHER IT SHOULD BE RECOGNIZED THAT MANY SUCH MATTERS ARE NOT DIRECTLY CONTROLLABLE

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BY MINAG, BUT BY OTHER MINISTRIES SUCH AS THE MINISTRY OF FOREIGN AFFAIRS, GOSPLAN AND THE COMMITTEE FOR STATE SECURITY.

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ACTION EB-07

INFO OCT-01 EUR-12 ISO-00 SP-02 SS-15 NSC-05 AGRE-00
L-03 CIAE-00 INR-07 NSAE-00 ITC-01 COME-00 TRSE-00
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FM AMEMBASSY MOSCOW
TO SECSTATE WASHDC 8331

C O N F I D E N T I A L SECTION 2 OF 2 MOSCOW 8016

PASS APT MORRIS

PASS USDA/FAS/EULER

5. USDA IN ATTEMPTING TO SOLVE AGREEMENT PROBLEMS AND BEST ACHIEVE AGREEMENT OBJECTIVITIES, E. G. OBTAIN DESIRED TRAVEL ITINERARIES, HAS WORKED ALMOST EXCLUSIVELY WITH MINAG. MINAG IS THE SOVIT EXECUTIVE AGENT FOR THIS GOVERNMENT AGREEMENT SIGNED BY GROMYKO AND BUTZ FOR THEIR RESPECTIVE COUNTRIES.

6. IN VIEW OF FOREGOING, AGATT RECOMMENDS FOLLOWING ACTIONS THIS SUMMER:

(A) FRANK BUT POSITIVE LETTER FROM SECRETARY BERGLAND TO MINISTER MESYATS IN WHICH WE INDICATE THAT:

1) ALTHOUGH IN GENERAL PLEASED TO HAVE THE AGREEMENT, WE ARE NOT FULLY SATISFIED WITH PROGRESS THEREUNDER TO DATE;

2) U.S. INTEREST AREAS IN WHICH WE CONSIDER IT ESSENTIAL THAT IMPROVEMENTS BE MADE;

3) ASSURANCES BY SOVIET SIDE ARE STRONGLY DESIRED FOR A FIRM COMMITMENT TO EXPEDITIOUSLY ENSURE SUCH IMPROVEMENTS;

4) WE SHOULD SPECIFICALLY STATE THAT FORWARD ESTIMATES ON AGRICULTURAL PRODUCTION AND TRADE ARE AMONG OUR HIGHEST PRIORITIES UNDER THE AGREEMENT AND THAT UNTIL SUCH TIME AS ADEQUATE CROP AND TRADE FORECAST ARE AVAILABLE, IT IS CONFIDENTIAL

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ESSENTIAL THAT THE SOVIET SIDE ACCEPT OUR CROP SURVEY TEAMS AND FACILITATE SUCH TRAVEL BY AGATT OFFICE STAFF;

5) WE SHOULD ALSO STATE THAT FAILURE TO AT LEAST MAINTAIN THE PRESENT LEVEL OF ECONOMIC INFORMATION EXCHANGE AND CROP SURVEY TRAVEL BY U.S. TEAMS AND AGATT OFFICE WILL EITHER RESULT IN TERMINATION OF THE AGREEMENT OR AT BEST A SUBSTANTIAL SCALING DOWN OF AGREEMENT ACTIVITIES;

6) WE SHOULD SEPARATELY ADDRESS THE PROBLEM OF PROVISION BY THE SOVIET SIDE OF SATISFACTORY TRAVEL ITINERARIES. SOMETHING SHOULD BE SAID TO THE EFFECT THAT EVEN THOUGH THE U.S. TRAVEL REQUEST INCLUDES A VISIT TO AN AREA IN THE USSR WHICH IS CLOSED FOR FOREIGN TRAVEL, WE EXPECT THAT MINAG WILL TAKE THE NECESSARY STEPS TO OBTAIN THE MINISTRY OF FOREIGN AFFAIRS CLEARANCE FOR SUCH TRAVEL, AS IS DONE BY THE AMERICAN SIDE IN SUCH CASES. WE SHOULD ALSO SAY SUCH ACTION BY MINAG, THE SOVIET EXECUTOR OF THE AGREEMENT, IS MANDATED BY ARTICLES IV AND V OF THE AGREEMENT.

(B) USDA NEEDS TO MOVE FORWARD AND OBTAIN LEGAL AUTHORITY TO SELECTIVELY FUND AGREEMENT ACTIVITIES ON A RECEIVING SIDE PAYS BASIS, AS WE UNDERSTAND IN CASE WITH MANY OTHER U.S. DEPARTMENTS WITH SUCH COOPERATION AGREEMENTS WITH SOVIETS. IF OBTAINED PRIOR TO TRANSMITTAL OF SECRETARY'S LETTER IT SHOULD BE MENTIONED THEREIN SINCE THIS IS MAJOR SOURCE OF SOVIET DISSATISFACTION WITH THE AGREEMENT.

(C) USDA SHOULD TAKE NECESSARY STEPS THIS SUMMER TO OBTAIN LINE ITEM BUDGETARY AUTHORITY AT AN ADEQUATE LEVEL FOR AGREEMENT ACTIVITIES OF THE VARIOUS INVOLVED

USDA AGENCIES. THE NECESSITY FOR ABSORBING AGREEMENT
ACTIVITY COSTS FROM OTHER AGENCY FUNDS HAS PLACED
NUMEROUS OBSTACLES TO OPTIMUM CONDUCT OF THIS PROGRAM.

(D) IF USDA IS DESIROUS OF TAKING A MORE FORCEFUL
STAND ON OBTAINING A STRONGER AGREEMENT, THE SECRETARY'S
LETTER SHOULD ALSO INCLUDE PROPOSED LANGUAGE FOR THE
TEXT OF THE AGREEMENT, AND STATE THAT THE AGREEMENT WILL
PROBABLY NOT BE EXTENDED UNLESS THESE AMENDMENTS ARE
INCLUDED. IT SHOULD , HOWEVER, BE REMEMBERED THAT
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THIS APPROACH MAY LEAVE US WITH LITTLE OTHER ALTERNATIVE
THAN TERMINATING THE AGREEMENT.

(E) USDA SHOULD BE PREPARED THIS SUMMER IF REQUIRED
TO ELEVATE THE PROBLEM OF OBTAINING SATISFACTORY ITINERARIES
FOR CROP TRAVEL TO A GOVERNMENT-TO GOVERNMENT
NEGOTIATIONS LEVEL. THERE ARE NUMEROUS WAYS IN WHICH
THIS MAY BE ACHIEVED, THE GROUNDWORK FOR WHICH HAS BEEN
LAID BY A RECENT AGATT LETTER TO MINAG REQUESTING SUPPORT
FOR USDA TRAVEL IN USSR.

(F) CONSIDERATION SHOULD BE GIVEN BY USDA TO USE
OF NEW AUTHORITY IN US/USSR S&T AGREEMENT FOR S&T
COMMISSION (CO-CHAIRMEN PRESS AND KIRILLIN) TO "EN-
COURAGE AND FACILITATE BILATERAL COOPERATION". NEXT
JCM MEETING IS IN JULY AND IT MIGHT BE WELL FOR US
SIDE TO RAISE AT THEAT TIME USDA'S PROBLEMS, EITHER AS
SPECIAL AGRICULTURAL AGREEMENT DIFFICULTIES OR AS
GENERIC PROBLEMS EXPERIENCED UNDER MANY AGREEMENTS, E.G.
TRAVEL RESTRICTIONS (US BASED TEAMS AND EMBOFFS),
DATA REQUESTS AND INGRESS TO SPECIFIC INSTITUTES. FYI,
IN AGATT'S VIEW, PROBLEMS ENCOUNTERED BY USDA ALSO FREQUENTLY
OCCUR UNDER OTHER AGREEMENTS, BUT SHOW UP
MORE OFTEN BECAUSE OF PRECISE DEFINITION OF US AGRICULTURAL
INTERESTS AND CONSEQUENT SPECIFICITY OF USDA REQUESTS
UNDER OUR AGREEMENT.
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